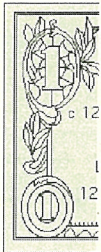




Dear Neighbor:

Enclosed is your annual property tax statement. There is sometimes confusion about exactly when the first installment payment is due to the Town of Westfield. To clear up any uncertainty, please note that your taxes are due no later than 25 days from the postmarked date on the envelope. If you have any questions, please do not hesitate to contact the Tax Collector by phone (908-789-4051) or via e-mail to taxcollector@westfieldnj.gov.

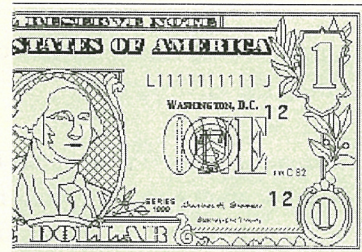
In the past, I have taken this opportunity to keep you informed of the services the Town provides with your tax dollars, the impact of the state economic climate on the local budget, the philosophies and principles applied to the Town's financial plan, and the steps taken to implement the plan. My past letters, along with the budget presentations made at the public hearings, are available for your review on the Town's website, www.westfieldnj.gov, under "Administration". This time, I thought everyone might be able to benefit from sharing with you the answers to the budget questions most frequently asked by the residents I have met with over the past year. ***Please keep in mind that the following discussion applies only to the portion of your property taxes that the Town Council manages, historically around 17% of the total property taxes that you pay.***



17.85% of the property taxes collected are retained by the Town of Westfield to provide municipal services.



20.93% of the property taxes collected are sent to the County of Union. This part of your tax bill is controlled by your elected representatives on the Union County Board of Chosen Freeholders.



61.22% of the property taxes collected are sent to the Westfield School District. This part of your tax bill is managed by the Board of Education. The school tax levy is submitted to the voters for approval every April. On April 21, 2009, Westfield voters approved the 2009-2010 School Budget.

The short answers to your questions are:

- The State's fiscal crisis continues to impact your property taxes.
- The success of the Town's fiscal management is reflected in the "AAA" rating recently assigned to Westfield's general obligation (GO) bonds by Standards & Poor's Ratings Services.
- Reductions in staff have resulted in significant savings.
- Health care benefits costs have decreased.

Yes, the State's continuing fiscal crisis continues to impact our property taxes. After years of little or no increases, Consolidated Municipal Property Tax Relief funding ("State Aid") has been significantly reduced for the second year in a row. For 2009, State Aid was cut by \$316,000. Combine this reduction in revenue from the State with the increases in State-mandated expenses and non-discretionary costs, up \$1,454,551 or 10.14% over last year, and the impact on the local taxpayer is evident. Considering that 40% of the Town's operating budget is dedicated to State-mandated and non-discretionary costs, the necessity to control costs elsewhere in the budget also becomes clear. Further, because Westfield is primarily a residential community without significant commercial ratables to offset residential property taxes, residential property owners pay 93% of the aggregate



property taxes levied. The loss in State Aid, then, adds to the share of property taxes residential property owners must bear.

Yes, the Town's financial plan is responsible, rational, and responsive. In simplest terms, the plan aims to maximize efficiencies and minimize spending under the Town's control while continuing to deliver the services residents have come to rely on. The plan includes seeking new sources of non-tax revenues, sharing services to control costs, and limiting debt. Contrary to the State's habit of borrowing to pay its bills, Westfield's fundamental philosophies of "pay as you go" and "do more with less" has placed the Town in a much stronger position to weather this ongoing economic crisis. On principle, the Town only incurs debt to fund major capital improvements such as road reconstruction and stormwater management upgrades. Recognizing the impact annual debt service costs have on operating budgets and, ultimately, property taxes, the Town Council recently adopted Resolution 2009-173 memorializing the Debt Management Plan that balances the interests of funding future capital improvements while limiting the Town's total debt outstanding and annual debt service costs. I believe the success of our efforts is certainly reflected in the "AAA" rating recently assigned to Westfield's general obligation (GO) bonds by Standards & Poor's Ratings Services. Standards & Poor's report referenced Westfield's "solid financial position" and "low debt burden" in their rationale for the extraordinary rating.

Yes, keeping personnel costs in check is a top priority. Evaluating staffing levels both in terms of cost and productivity has been a major initiative of my administration and we have made tremendous strides in this area. Over the past 5 years, 24 positions have been eliminated or reduced to part time, producing an aggregate savings of almost a million dollars. The savings are even more significant when you apply the reduction in costs to future budgets. By employing new technologies and re-distributing some of the workloads, these staff cuts did not result in any cuts to municipal services. We have achieved similar success in containing the cost of health care benefits. Effective collective bargaining negotiations, negotiated plan design changes, and reductions in the full-time staff have resulted in a decrease of almost 1% in the cost of health care benefits this year.

Before closing, I would like to announce two new initiatives that will enhance communications and further our actions in protecting the environment:



Westfield Instant Alert® Plus is an Internet based communication system that enables local officials to deliver clear messages to registered residents and businesses by telephone, cell phone, e-mail, pager, or PDA in any combination within minutes of an emergency occurring. Please log on to the Town's website (www.westfieldnj.gov) and look for the Westfield Instant Alert® Plus logo to find a complete description of the program and detailed instructions on how to sign up to participate.



Sustainable Jersey™ is a certification program for municipalities that want to "go green" by addressing issues such as global warming, pollution, buying locally, and green building standards. Launched earlier this year, the program was a collaborative effort of the N.J. League of Municipalities' Mayors' Committee for a Green Future, the N.J. Department of Environmental Protection, the Municipal Land Use Center at the College of New Jersey, the N.J. Sustainable State Institute at Rutgers University, the Rutgers Center for Green Building, the N.J. Board of Public Utilities, and other experts in the field. Please click on the logo on the Town's website for more information on this program and other helpful links.

I want to reassure every Westfield resident that I am, along with the other Town officials and our dedicated professionals, working very hard to confront the fiscal challenges before us. We will continue to do our very best to preserve the essence of our great community. I remain available to personally meet with you during my Saturday morning office hours. If you would like to arrange an appointment, please call my office (908-789-4041). Joan, my Executive Assistant, will be happy to help you.

I appreciate your time and I look forward to seeing you around town.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew K. Skibitsky".

Andrew K. Skibitsky